

Scottish Charity No. SC027609
Scottish Company Registration No. SC219244

Oxgangs Care
(A company limited by guarantee)

Directors' & Trustees' Report and Financial Statements
Year ended 31 March 2017

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Innes & Partners
Chartered Certified Accountants

Oxgangs Care

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Oxgangs Care

Report of the Directors for the year ended 31 March 2017

The Directors (who are also Trustees for the purposes of charity law) are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2017.

Principal and registered office

12 Firrhill Neuk
Edinburgh
EH13 9FF

Bankers

Bank of Scotland
426 Morningside Road
Edinburgh
EH10 5QF

Status of Charity and Governing Document

Oxgangs Care (OC) was registered as a charity on 8 September 1992 and incorporated on 4 May 2001 as a charitable company limited by guarantee. The Company was established under a Memorandum of Association which established its objects and powers as a charitable company and is governed under its Articles of Association. It is both a registered Company (No. SC219244) and a Scottish Charity (No. SC027609).

Directors

The active Directors and Company representatives during 2017 were:

Mr E Barry	Chair/Secretary
Mrs E Aitken	Vice Chair
Ms L Maguire	
Ms C Scarth	
Mrs J White	(resigned 31 October 2016)
Ms P Podd	(resigned 1 February 2017)
Mr A McCallum	Secretary and General Manager (resigned 5 October 2016)

Senior managers

Mrs S Mutch	General Manager (appointed March 2017)
Ms S Christie	Sure Start Manager

Recruitment and appointment of the Board of Directors

The Directors of the Company are also Charity Trustees for the purposes of charity law and, under the Company's Articles, are known as members of the Board of Trustees. Under the requirements of the Memorandum and Articles of Association, the members of the Board are elected to serve for a period of one year after which they must be re-elected at the next Annual General Meeting.

The charity's work focuses upon vulnerable people. The Board of Directors seeks to ensure that the needs of service users are appropriately reflected through the diversity of the Trustee body. To enhance the potential pool of Trustees, the charity has, through local networking and publicity, sought to identify service users who would be willing to become members of OC and use their own experience to assist the charity.

Directors' induction and training

New directors are invited and encouraged to attend a series of short training sessions to familiarise themselves with the charity and the context within which it operates. These are jointly led by the Oxgangs Care manager and Edinburgh Voluntary Organisations' Council (EVOC) and cover the following:

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Report of the Directors for the year ended 31 March 2017

Directors' induction and training (continued)

- The obligations of the members of the Board of Directors
- The main documents which set out the operational framework for the charity including the Memorandum and Articles
- Resourcing and the current financial position as set out in the latest published accounts
- Future plans and objectives

A Directors' handbook has also been prepared, drawing information from the Office of the Scottish Charity Regulator and Companies House, as a follow up to these sessions. This is distributed to all new Trustees along with the Memorandum and Articles and the latest financial statements.

Day-to-day management

A system of delegation is in place and day-to-day responsibility for the provision of the services rest with the general manager. The general manager is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The service manager/coordinators have responsibility for the day-to-day operational management of their respective services, individual supervision of the staff team, and ensuring that their service teams continue to develop their skills and working practices in line with good practice.

Objectives and activities

Purposes and aims

The charity's purposes as set out in the objects contained in the company's memorandum of association are to promote the welfare of people who have special care needs, including those who are disabled or frail (physically or mentally), and their carers within the neighbourhoods of Braids, Buckstone, Caiystane, Colinton, Colinton Mains, Craiglockhart, Fairmilehead, Firrhill, Morningside, Oxgangs, Polwarth and Swanston.

The aims of our charity are to:

- Identify unmet care needs in the community
- Design and deliver cost-effective, community-based support services in response to identified unmet needs and in partnership with statutory and other voluntary agencies working in the area
- Involve members of the local community in the planning, delivery and management of OC services
- Develop the organisation's capacity to meet its corporate objectives and operational aims and objectives

Our aims fully reflect the purpose that the charity was set up to further.

Ensuring that our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aims, objectives and activities remain focused on our stated purpose.

The focus of our work

Our main objectives for the year continued to be supporting older people to remain in their local community and supporting 0-3 year olds and their carers in their early years' development. The strategies we have used to meet these objectives included:

- Providing centre-based day care for older people as an alternative to admission to long-term residential care
- Providing a domiciliary short-breaks service to afford respite to carers of older people with additional needs
- Providing social groups and lunch clubs for older people who are recovering from mental ill-health

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Report of the Directors for the year ended 31 March 2017

The focus of our work (continued)

- Supporting a volunteer befriending service for older people who are at risk of loneliness and social isolation
- Providing a support group for people with dementia
- Providing a centre-based playgroup for 0-3 year olds and support for their carers
- Providing a domiciliary service supporting family play

Achievements and performance

Our objects and funding limit the services we provide to older people (generally over 65 years) and their carers who live within the above noted neighbourhoods, who have some of the following needs:

- Dementia
- Alcohol problems
- Mild to moderate mental health difficulties
- Physical dependency/frailty
- Sensory impairment
- Nutritional support
- Stimulation and activity
- Social isolation

Also to 0-3 year olds from vulnerable families in the Colinton Mains and wider EH13 area.

In 2016-17 Oxgangs Care made an average of 77 service deliveries per week to individuals. A majority of our service users are referrals from health and social work professionals, but some are self or community referrals. Referrals to some groups are currently on hold pending our next inspection by the Care Inspectorate.

It is difficult to measure how many of our service users would have been admitted prematurely to long-term residential care had it not been for our activities, but given the higher age and support needs profiles of our current service users as compared to those of earlier years it is safe to assume that many would not have been able to continue living independently in their own homes had it not been for the support and respite our services have provided.

Summary and future plans

The charity is marching forwards under the leadership of our new manager Sheila Mutch who brings a much greater level of professionalism to the team at Oxgangs Care.

In discussions the charity has been having with the Council since 2013, the indications are that the charity will be expected to concentrate on delivering early intervention and preventative services to people who do not qualify for Direct Payments. The Council had lead us to believe that Day Care services would be unregistered but this is disputed by the Care Inspectorate who have required us to register them. This required us to reshape our services to attract continued Council investment through its new grants programme. The charity's Strategic Plan for 2015-18 is still focused on the provision of low-level preventative services aimed at supporting older people in the area who are at risk of social isolation to live independently in their local community. The aim is, through early interventions, to prevent the charity's service users from developing the loss of functionality and increased dependence that can be a consequence of social isolation and loneliness (see The Scottish Parliament Equal Opportunities Committee: Age and Social Isolation Report; Age UK: Loneliness and Isolation Evidence Review).

The charity subsequently made three successful applications to the Council's grants programme:

1. To deliver community-based group experiences for older people who are at risk of social isolation, such as lunch clubs, tea groups and activities/interest groups, delivered by OC staff and volunteers and in partnership with other providers, including carers support, advice and counselling sessions.

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Report of the Directors for the year ended 31 March 2017

Summary and future plans (continued)

2. To deliver low-level preventive services, such as shopping, prescription collecting and gardening, being delivered by OC volunteers and in partnership with other voluntary sector organisations, and befriending services, such as 'chumming' older people who are at risk of social isolation to the shops, cinema, bingo, community centres etc, as well as home visiting and resuming/maintaining participation in community activities.
3. To deliver group support to older people in the area who have mild to moderate dementia.

The Council has imposed funding reductions of 5% per annum which have made it essential that we are extremely careful how we spend the precious funding, so we maximise what we can use to provide our services.

We presently provide our services from Pentland Community Centre, Oxgangs Neighbourhood Centre and from our offices at 12 Firrhill Neuk. It is our intention to provide all our services from our offices by taking on the leases for the other offices in our block which have been vacant for some time.

The Sure Start project will be expanded from June 2017 thanks to the successful application for a three-year grant from the National Lottery. Our coordinator gets our special thanks for her work in bringing about this successful application. Sure Start will become a separate organisation once all the hurdles of splitting them out are overcome.

Financial review

Principal funding sources

Aside from the value contributed by the freely given time of our volunteers and the goodwill of the local community, the principal funding sources for the charity are currently by way of grant and contract income from the City of Edinburgh Council. The charity recognises that, as a result of increasing constraints on local authority expenditure, its continued dependence on this source represents a significant financial risk and that it should seek to minimise this risk by seeking funding from a much broader group of agencies and by using its assets to generate an income stream. This represents a challenge that the charity will need to address in coming years.

Results for the year

The financial statements for the year are set out on pages 7 to 12. The Statement of Financial Activities on page 7 reflects net expenditure of £40,395 (2016: net incoming resources of £73,840).

Reserves

The Company held unrestricted funds amounting to £25,751 (2016: £77,373) and restricted funds of £62,359 (2016: £51,132) at the year end. The Trustees aim to have reserves to cover three months expenditure. The reserves are needed to meet the working capital requirements of the charity and the Board of Directors are confident that at this level it would be able to continue the current activities of the charity in the event of a significant drop in funding. The present level of reserves available to the charity of £25,751 (2016: £77,373) falls within this target level. Although the strategy is to continue to build reserves through achieving operating surpluses, as a result of increasing constraints on local authority expenditure, it is likely that grant income from this source will decline in coming years. At the same time, changes in workplace pension requirements will significantly increase the charity's operating costs. Increasing the level of reserve funds represents a continuing challenge for the Board.

Oxgangs Care

Report of the Directors for the year ended 31 March 2017

Statement on Risk

The Board has conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to OC. The continuing implementation of the National Care Standards ensure a consistent quality of delivery for all operational aspects of the charity. These procedure are periodically reviewed by a subgroup of the Board to ensure that they continue to meet the needs of the charity.

Statement of Directors' Responsibilities

The Directors (who are also Trustees for the purposes of charity law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

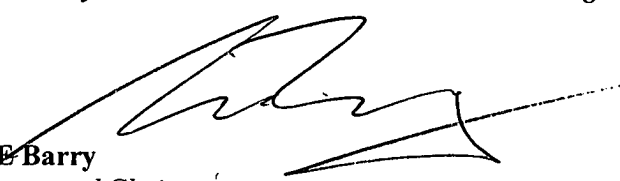
In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Director's Report has been prepared having taken advantage of the small companies' exemption in the Companies Act 2006.

Approved by the Board on 27 November 2017 and signed on its behalf by:


Mr E Barry
Director and Chairperson

Oxgangs Care

Report of the Independent Examiner for the year ended 31 March 2017

I report on the accounts of the company for the year ended 31 March 2017 which are set out on pages 7 to 12.

Respective responsibilities of Trustees and examiner

The Charity's Trustees (who are also the Directors for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Charity's Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the Trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. Which gives me reasonable cause to believe that in any material respect the requirements:
 - To keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended), and
 - To prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)

Have not been met, or

2. To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Alison Franks CA
Director

Innes & Partners Limited
Chartered Certified Accountants

Innes House
18 Shairps Business Park
Houstoun Road
Livingston
EH54 5FD

Date: 7 December 2017

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Statement of Financial Activities (incorporating Income and Expenditure Account)

For the year ended 31 March 2017

	Notes	General fund £	Restricted funds £	2017 Total £	2016 Total £
Income					
Donations and legacies	2	809	-	809	70
Charitable activities	3	4,568	3,615	8,183	16,198
Grants	4	-	151,875	151,875	275,985
Total income		5,377	155,490	160,867	292,253
Expenditure					
Charitable activities	5	34,983	166,279	201,262	218,413
Total expenditure		34,983	166,279	201,262	218,413
Net (expenditure) income before transfers		(29,606)	(10,789)	(40,395)	73,840
Transfers	12,13	(22,016)	22,016	-	-
Net movement in funds after transfers		(51,622)	11,227	(40,395)	73,840
Total funds brought forward		77,373	51,132	128,505	54,665
Total funds carried forward	12,13	25,751	62,359	88,110	128,505
Represented by:					
Unrestricted fund	12				
General		25,751	-	25,751	77,373
Restricted funds	13				
Pentland Wednesday club		-	-	-	3,997
Oxgangs Sure Start project		-	-	-	-
CEC funding Oxgangs Pentland carers project befriending service		-	4,084	4,084	20,915
Oxgangs Care day services		-	58,275	58,275	26,220
Total funds		25,751	62,359	88,110	128,505

The notes on pages 9 to 12 form part of these financial statements.

Balance sheet

As at 31 March 2017

	Notes	General fund £	Restricted funds £	2017 Total £	2016 Total £
Current assets					
Debtors	10	-	-	-	52,773
Cash at bank and in hand		25,751	65,252	91,003	80,917
Total current assets		25,751	65,252	91,003	133,690
Liabilities					
Creditors: falling due within one year	11	-	(2,893)	(2,893)	(5,185)
Net current assets		25,751	62,359	88,110	128,505
Total assets less current liabilities		25,751	62,359	88,110	128,505
Total net assets		25,751	62,359	88,110	128,505
The funds of the Charity					
General fund	12	25,751	-	25,751	77,373
Restricted funds	13	-	62,359	62,359	51,132
Total charity funds		25,751	62,359	88,110	128,505

The financial statements have been prepared in accordance with the Financial Reporting Standard FRS 102 and with the provisions applicable to companies subject to the small companies' regime.

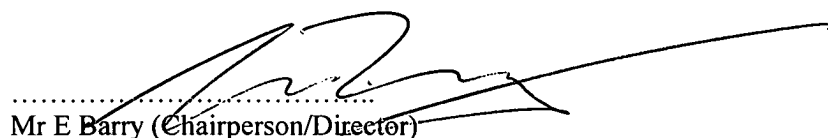
For the year ending 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of the accounts.

The financial statements were approved by the Board on 27 November 2017 and signed on their behalf by:



Mr E Barry (Chairperson/Director)

The notes on pages 9 to 12 form part of these financial statements.

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Notes to the financial statements

For the year ended 31 March 2017

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with FRS 102, the Statement of Recommended Practice - Accounting & Reporting by Charities SORP 2015 (FRS 102), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

The accounts are prepared on a going concern basis as the Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

Basis of financial statements

The financial statements have been prepared on an accruals basis.

Income

All income including grants and donations are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of income can be measured with sufficient reliability.

Debtors are valued at cost at the year-end and adjusted for any amounts considered to be irrecoverable.

Expenditure

All expenses are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. They are accounted for on an accruals basis and include any irrecoverable VAT. They are allocated to a particular activity where the cost relates directly to that activity.

Creditors are valued at cost at the year-end and split between amounts due in less than one year and amounts due in more than one year.

Operating leases

Operating lease costs are charged against profits on a straight line basis over the period of the lease.

Statement of Financial Activities

For the purpose of the Statement of Financial Activities as shown on page 7, funds are defined as follows:

Unrestricted funds comprise income received for the objects of the charity without further specified purpose and are available as general funds which can be used for purposes in agreement with its charitable objectives.

Restricted funds comprise income which has been received for the objects of the charity and specified for a restricted purpose within these objects by the donor.

2. Donations and legacies

	General fund	Restricted funds	2017 Total	2016 Total
	£	£	£	£
Donations	809	-	809	70
	809	-	809	70

Income from donations and legacies was £809 (2016: £70) of which £809 was unrestricted (2016: £70) and nil was restricted (2016: nil).

Oxgangs Care

Notes to the financial statements
For the year ended 31 March 2017

3. Income - charitable activities	General fund £	Restricted funds £	2017 Total £	2016 Total £
Client contributions	4,568	1,969	6,537	13,286
Other income	-	1,646	1,646	2,912
	4,568	3,615	8,183	16,198

Income from charitable activities was £8,183 (2016: £16,198) of which £4,568 was unrestricted (2016: £16,198) and £3,615 was restricted (2016: nil).

4. Grants	General fund £	Restricted funds £	2017 Total £	2016 Total £
Core funding grants	-	151,875	151,875	275,985
Total grant income	-	151,875	151,875	275,985

Income from grants was £151,875 (2016: £275,985) of which nil was unrestricted (2016: £62,829) and £151,875 was restricted (2016: £213,156).

5. Expenditure - charitable activities	General fund £	Restricted funds £	2017 Total £	2016 Total £
Gross salaries (note 6)	-	156,024	156,024	161,773
Rent	14,557	91	14,648	13,898
Motor and travel costs	5,985	2,998	8,983	13,932
Service provisions and activities	2,939	2,169	5,108	10,319
Professional fees	3,699	516	4,215	1,140
Postage, stationery and telephone	2,392	287	2,679	4,804
Recruitment	1,908	-	1,908	250
Registration and subscriptions	1,857	34	1,891	1,505
Insurance	-	1,637	1,637	2,329
Training and conference costs	555	-	555	1,082
Staff and volunteer expenses	219	123	342	782
Independent examination	-	2,400	2,400	2,400
Miscellaneous expenditure	872	-	872	4,199
	34,983	166,279	201,262	218,413

Support costs have not been separately identified as the directors consider that there is only one charitable activity to which they all relate.

Expenditure on charitable activities was £201,262 (2016: £218,413) of which £34,983 was unrestricted (2016: £7,414) and £166,279 was restricted (2016: £210,999).

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Notes to the financial statements

For the year ended 31 March 2017

6. Staff costs and numbers	2017	2016
	£	£
Gross salaries	152,072	156,015
Employer's NI	3,612	5,758
Pension contributions	340	-
	<u>156,024</u>	<u>161,773</u>

The average number of employees during the year was 16 (2016: 17). There are no employees receiving more than £60,000.

7. Liability of Members

The company is limited by guarantee, with the liability of each member limited to £1. There were 4 (2016: 4) members at 31 March 2017.

8. Transactions with Directors and related parties

No Director or related party received any remuneration or reimbursement of expenses from the Charity (2016: nil).

9. Taxation

No liability to UK Corporation Tax arises in the light of the company's charitable status.

10. Debtors: amounts falling due within one year	General fund	Restricted funds	2017 Total	2016 Total
	£	£	£	£
Grants due	-	-	-	52,244
Service charges due	-	-	-	529
	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,773</u>

11. Creditors: amounts falling due within one year	General fund	Restricted funds	2017 Total	2016 Total
	£	£	£	£
Social security and other taxes	-	-	-	1,780
Other creditors	-	2,893	2,893	3,405
	<u>-</u>	<u>2,893</u>	<u>2,893</u>	<u>5,185</u>

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Notes to the financial statements

For the year ended 31 March 2017

12. Unrestricted funds	Balance at 01.04.2016 £	Income £	Expenditure £	Transfers £	Balance at 31.03.2017 £
General fund	77,373	5,377	(34,983)	(22,016)	25,751
Total unrestricted funds	77,373	5,377	(34,983)	(22,016)	25,751

Explanation of funds

The General fund represents all income and expenditure relating to the primary focus activities of the charitable company, other than those for which funding is restricted.

13. Restricted funds	Balance at 01.04.2016 £	Income £	Expenditure £	Transfers £	Balance at 31.03.2017 £
Pentland Wednesday club	3,997	1,969	(19,264)	13,298	-
Oxgangs Sure Start project	-	35,851	(44,569)	8,718	-
CEC funding Oxgangs Pentland carers project befriending service	20,915	-	(16,831)	-	4,084
Oxgangs Care day services	26,220	117,670	(85,615)	-	58,275
Total restricted funds	51,132	155,490	(166,279)	22,016	62,359

Explanation of funds

The Pentland Wednesday Club fund represents all income and expenditure relating to the daytime support to older people with dementia.

The Oxgangs Sure Start Project fund represents all income and expenditure relating to day care for children aged 0 to 3.

The CEC Funding Oxgangs Pentland Carers Project Befriending Service fund represents all income and expenditure relating to the befriending service for older people.

The Oxgangs Care Day Services fund represents all income and expenditure relating to the centre based day care for frail older people.